

STATE OF ALASKA  
Department of Natural Resources  
DIVISION OF MINES AND MINERALS

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GEOLOGICAL SURVEY

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MINES AND PETROLEUM BULLETIN

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MINING ACTIVITIES

Exploration activities not mentioned in last month's Bulletin include the following: Wallace McGregor of Salt Lake City has a reconnaissance crew in the field again this year. Diamond Alkali is looking for mercury in the Kuskokwim mercury belt. Longyear Drilling Co. is drilling two well-known prospects for undisclosed clients. Utah Construction and Mining Co. has resumed work after several years at its Mt. Andrew copper-iron property on Prince of Wales Island. Claims are being staked in all parts of Alaska in numbers almost reminiscent of the gold rush days.

COAL NEWS

Cortella Coal Corporation of Cordova continues active exploration of coal reserves on Carbon Creek in the Bering Coal Field. Victor Rhine, president of the corporation, reports that results are very encouraging as to the reserves and mining potential. Geologists and engineers from the Sumitomo Shoji Corporation of Japan are working actively with Cortella in the exploration of the five major beds in the area which have been exposed or located by core drilling and trenching with a small bulldozer.

Renewed interest is being shown in the Beluga coal fields, west of Anchorage, and in the Arctic coal fields by substantial companies.

OIL AND GAS NEWS

Ten applications for drilling permits were approved by the Division's Petroleum Branch as follows:

Permit No. 68-59: Pan American Petroleum Corporation #2 Redoubt Shoal Unit, A.P.I. No. 50-133-20040-01. Surface location: 701' FSL and 1,628' FWL, Sec. 13, T7N, R14W, S.M. Bottom hole location: 840' FNL and 1,650' FWL, Sec. 19, T7N, R13W, S.M. This wildcat location is in the same quarter section as the #1 well.

Permit No. 68-60. Shell Oil Company #C-43-23 Middle Ground Shoal, A.P.I. No. 50-133-20129. Surface location: 503' FSL and 1,533' FEL, Sec. 23, T8N, R13W, S.M. Bottom hole location: 2,510' FSL and 1,180' FEL, Sec. 23, T8N, R13W, S.M. This development location is in the Middle Ground Shoal Field.

Permit No. 68-51: Union Oil Company of California #G-7 Trading Bay Unit, A.P.I. No. 50-133-20130. Surface location: 1,832' FSL and 1,484' FEL, Sec. 29, T9N, R13W, S.M. Bottom hole location: 400' FSL and 1,100' FWL, Sec. 28, T9N, R13W, S.M. This development location is in the McArthur River Field.

Permit No. 68-62. Union Oil Company of California #D-9 Trading Bay Unit, A.P.I. No. 50-133-20131. Surface location: 756' FSL and 1,139' FWL, Sec. 6, T8N, R13W, S.M. Bottom hole location: 2,220' FNL and 400' FEL, Sec. 7, T8N, R13W, S.M. This development location is in the McArthur River Field.

Permit No. 68-63. Union Oil Company of California #D-10 Trading Bay Unit, A.P.I. No. 50-133-20132. Surface location: 681' FSL and 1,220' FWL, Sec. 6, T8N, R13W, S.M. Bottom hole location: 660' FSL and 100' FEL, Sec. 5, T8N, R13W, S.M. This development location is in the McArthur River Field.

Permit No. 68-64. B.P. Exploration U.S.A., Inc. #1 Sag Delta, A.P.I. No. 50-029-20003. 1,227' FNL and 970' FEL, Sec. 6, T11N, R16E, U.M. This exploratory location is on the east side of Prudhoe Bay on the Arctic Ocean coast.

Permit No. 68-65. Texaco Inc. #TS 3 Trading Bay, A.P.I. No. 50-133-20133. Surface location: 659' FNL and 2,007' FEL, Sec. 34, T10N, R13W, S.M. Bottom hole location: 670' FNL and 550' FEL, Sec. 34, T10N, R13W, S.M. This development location is in the Trading Bay Field.

Permit No. 68-66. Texaco Inc. #TS 4 Trading Bay, A.P.I. No. 50-133-20134. Surface location: 618' FNL and 2,076' FEL, Sec. 34, T10N, R13W, S.M. Bottom hole location: 770' FSL and 510' FWL, Sec. 34, T10N, R13W, S.M. This development location is in the Trading Bay Field.

Permit No. 68-67. Union Oil Company of California #A-17 Trading Bay State, A.P.I. No. 50-133-20135. Surface location: 1,608' FSL and 576' FEL, Sec. 4, T9N, R13W, S.M. Bottom hole location: 1,395' FNL and 285' FEL, Sec. 8, T9N, R13W, S.M. This development location is in the Trading Bay Field.

Permit No. 68-68. Standard Oil Company of California WOI #23-7 North Trading Bay, A.P.I. No. 50-133-20136. 2,246' FSL and 2,687' FEL, Sec. 7, T10N, R12W, S.M. This exploration location is northeast of the Trading Bay Field.

DRILLING ACTIVITY (as of July 25, 1968)

<u>Operator</u>	<u>Well Names &amp; Numbers</u>	<u>Type</u>	<u>Status</u>
Atlantic Richfield Co.	Prudhoe Bay #1	E	Comp. Gas Well
Atlantic Richfield Co.	Sag River State #1	E	Drilling
Marathon Oil Corp.	Beaver Creek Unit #3	D	Location
Mobil Oil Corp.	Granite Point State #33-14	D	Drilling
Mobil Oil Corp.	Granite Point State #44-11	D	Location
Mobil Oil Corp.	Granite Point State #42-23	D	Drilling
Mobil Oil Corp.	Moquawkie #2	E	Drilling
Pan American Petroleum Corp.	Granite Point State 17586 #5	D	Drilling
Pan American Petroleum Corp.	Granite Point State 17587 #5	D	Drilling
Pan American Petroleum Corp.	Granite Point State 18742 #14	D	Temp. Susp.
Pan American Petroleum Corp.	Granite Point State 18742 #21	D	Location
Pan American Petroleum Corp.	Granite Point State 18742 #22	D	Drilling

<u>Operator</u>	<u>Well Names &amp; Numbers</u>	<u>Type</u>	<u>Status</u>
Pan American Petroleum Corp.	Granite Point State 18742 #23	D	Comp. Oil Well
Pan American Petroleum Corp.	Granite Point State 18742 #25	D	Drilling
Pan American Petroleum Corp.	Granite Point State 18742 #27	D	Comp. Oil Well
Pan American Petroleum Corp.	MGS State 17595 #12	D	Drilling
Pan American Petroleum Corp.	Redoubt Shoal Unit	E	Drilling
Pan American Petroleum Corp.	South MGS Unit #9	D	Comp. Oil Well
Pan American Petroleum Corp.	South MGS Unit #10	D	Temp. Susp.
Pan American Petroleum Corp.	South MGS Unit #11	D	Completing
Pan American Petroleum Corp.	South MGS Unit #12	D	Location
Shell Oil Company	Bachatna Creek #1	E	Location
Shell Oil Company	MGS C-43-23	D	Drilling
Shell Oil Company	MGS C-33-26	D	Drilling
Standard Oil Co. of Calif.	Kustatan Unit 43-30	E	Drilling
Standard Oil Co. of Calif.	North Trading Bay A-23-27	E	Location
Texaco, Inc.	Trading Bay TS #1	D	Drilling
Texaco, Inc.	Trading Bay TS #2	D	Drilling
Texaco, Inc.	Trading Bay TS #3	D	Location
Texaco, Inc.	Trading Bay TS #4	D	Location
Union Oil Co. of Calif.	Kenai Unit 43-6A	D	Location
Union Oil Co. of Calif.	Kenai Deep Unit #2	D	Drilling
Union Oil Co. of Calif.	Trading Bay State A-16	D	Comp. Oil Well
Union Oil Co. of Calif.	Trading Bay State A-17	D	Drilling
Union Oil Co. of Calif.	Trading Bay Unit D-7	D	Completing
Union Oil Co. of Calif.	Trading Bay Unit D-8	D	Comp. Oil Well
Union Oil Co. of Calif.	Trading Bay Unit D-9	D	Location
Union Oil Co. of Calif.	Trading Bay Unit D-10	D	Drilling
Union Oil Co. of Calif.	Trading Bay Unit G-7	D	Drilling
Union Oil Co. of Calif.	Trading Bay Unit G-9	D	Drilling
Union Oil Co. of Calif.	Trading Bay Unit G-11	D	Comp. Oil Well
Union Oil Co. of Calif.	Trading Bay Unit G-12	D	Location
Union Oil Co. of Calif.	Trading Bay Unit G-13	D	Location
Union Oil Co. of Calif.	Trading Bay Unit K-3	D	Location
Union Oil Co. of Calif.	Trading Bay Unit K-7	D	Drilling
Union Oil Co. of Calif.	Trading Bay Unit K-8	D	Drilling
Union Oil Co. of Calif.	Trading Bay Unit K-9	D	Comp. Oil Well
Yukon Services, Inc.	Campbell Point #1	E	Drilling
B.P. Exploration U.S.A., Inc.	Sag Delta #1	E	Location

"E" indicates an exploratory well, and "D" a development well.

PRODUCTION - June 1968 (Gas pressure base 14.65 psi)

<u>Field</u>	<u>Oil-Bbls</u>	<u>Water-Bbls</u>	<u>Gas-MCF</u>	<u>*No. of Wells Prod.</u>	<u>Cum. Oil</u>	<u>Cum. Gas</u>
Granite Point	1,104,167	23,056	746,615	29 (2)	14,871,587	10,506,378
McArthur River	2,131,889	20,122	582,161	17 (1)	8,948,105	2,484,546
Middle Ground Shoal	1,274,181	22,573	621,486	45 (2)	17,256,343	7,837,689
Swanson River	1,127,009	161,147	2,385,513	33 (17)	81,788,625	44,189,020
Trading Bay	272,695	2,194	219,429	14 (4)	1,964,931	1,829,112
<b>Total</b>	<b>5,909,941</b>	<b>229,092</b>	<b>4,555,204</b>	<b>138 (26)</b>	<b>124,829,591</b>	<b>66,846,745</b>

Field	Oil-Bbls	Water-Bbls	Gas-MCF	*No. of Wells Prod.	Cum. Oil	Cum. Gas
Beluga River			160,204	2 (2)		752,161
Kenai			2,714,746	17 (1)		108,079,558
Kenai Deep			392,915	1		993,469
Moquawkie			13,381	1		79,220
Sterling			16,905	1 (1)		693,583
South Barrow			31,660	3 (1)		3,661,558
Trading Bay	291		21,890	1	934	119,439
Inactive Gas Fields						12,028,261
Total Dry Gas			<u>3,351,701</u>	<u>26 (5)</u>		<u>126,407,249</u>
STATE GRAND TOTAL	<u>5,910,232</u>	<u>229,092</u>	<u>7,906,905</u>	<u>164 (31)</u>	<u>124,830,525</u>	<u>193,253,994</u>

\* Dual completions are included as two wells; triple, as three. ( ) Number of wells not producing in June.

Note: Correction in Granite Point cumulatives for May to 13,767,420 bbls and 9,759,763 MCF. Also changes cumulative State Totals to 118,919,650 bbls and 118,920,293 bbls, and 52,291,541 MCF and 185,347,089 MCF.

### NOTICE

The Alaska Oil and Gas Conservation Committee maintains a mailing list to notify all interested persons of notices of public hearing, conservation orders, etc. Due to changes in the Alaska Statutes during the 1968 Session, the notices will no longer be given by personal service nor will waivers be solicited. It is the responsibility of all parties who may feel they will be affected by hearings and orders of the Oil and Gas Conservation Committee to have their names and addresses on this mailing list. To do this, simply request that your name and address be placed on the Oil and Gas Conservation Committee Mailing List at the following address:

Executive Secretary  
Oil and Gas Conservation Committee  
3001 Porcupine Drive  
Anchorage, Alaska 99504

It will be the responsibility of each party to keep the Committee supplied with his current mailing address.

### FWPCA WATER QUALITY PROJECT

Commissioner Moore of the Federal Water Pollution Control Agency (FWPCA) has directed that a study be made of placer mining and gravel washing in Alaska to note and compare the changes in stream characteristics caused by such operations. This study is now underway and is being done by a group of Federal and State people including biologists, soil scientists, and representatives of the mining industry. The Division of Mines and Minerals and the University of Alaska Minerals Industry Research lab have each detailed a mining engineer to participate in the study to represent mining interests, see that the group making the study is informed on mining technicalities and problems, and otherwise see that the study is fair to the mining industry consistent with public interest.

To date, waters have been sampled above and below placer operations in the Fairbanks District. Much more sampling will be done in several locations under varying conditions. Other districts of the State will also be sampled within the next month. A written description of the project showing the purpose, procedures being used, methods for study, sampling methods, etc., should be available for distribution to those requesting it very soon. Conclusions will not be available until this fall, of course.

### OIL DISCOVERY

Much excitement and a leasing rush have been generated by news of the oil discovery at Prudhoe Bay on the Arctic Slope about 400 miles north of Fairbanks and 150 miles southeast of Pt. Barrow. Plans for moving the oil south are reportedly moving ahead.

As a result of the discovery, Governor Walter J. Hickel requested a meeting of the NORTH Commission. This commission is charged with developing plans for surface transportation to open the Arctic. The meeting is planned for August 22 and 23 in Fairbanks.

### STATE GEM AND MINERAL

We have neglected to report that the last State Legislature passed laws making gold our official State mineral and jade our official State gem. We are not first on these since California had already adopted gold and Wyoming jade.

Some States have also adopted official rocks. California adopted serpentine some time ago. Readers might want to make recommendations to the next Legislature for an official Alaska State rock.

### LIST OF GOLD PURCHASERS

We now have on hand at each of our three offices a list of approximately 1200 persons and firms which purchase gold. We regret that the physical makeup of this list is such that it cannot be copied and distributed, but it is available for consultation by all interested parties.

### NEW USGS PUBLICATIONS

The following open file reports have been released by the USGS and are available for consultation in the Alaskan USGS and Division of Mines and Minerals offices. Material from which copies of these open file reports can be made at private expense is available in the Alaskan Geology Branch, USGS, 345 Middlefield Road, Menlo Park, California 94025.

Reconnaissance geology, mineral occurrences and geochemical anomalies of the Yentna district, Alaska, by A.L. Clark and C.C. Hawley. 86 p., including 7 figs. and 18 p. tabular data.

Metallic mineral resources map of the Baird Mountains quadrangle, Alaska, compiled by Edward H. Cobb. 2 p., 1 map, scale 1:250,000.

Metallic mineral resources map of the Ambler River quadrangle, Alaska, compiled by Edward H. Cobb. 3 p., 1 map, scale 1:250,000.

Metallic mineral resources map of the Shungnak quadrangle, Alaska, compiled by Edward H. Cobb. 3 p., 1 map, scale 1:250,000.

Metallic mineral resources map of the Hughes quadrangle, Alaska, compiled by Edward H. Cobb. 3 p., 1 map, scale 1:250,000.

Metallic mineral resources map of the Ruby quadrangle, Alaska, compiled by Edward H. Cobb. 5 p., 1 map, scale 1:250,000.

Metallic mineral resources map of the Ophir quadrangle, Alaska, compiled by Edward H. Cobb. 3 p., 1 map, scale 1:250,000.

Metallic mineral resources map of the Iditarod quadrangle, Alaska, compiled by Edward H. Cobb. 5 p., 1 map, scale 1:250,000.

Metallic mineral resources map of the Medfra quadrangle, Alaska, compiled by Edward H. Cobb. 3 p., 1 map, scale 1:250,000.

Metallic mineral resources map of the McGrath quadrangle, Alaska, compiled by Edward H. Cobb. 3 p., 1 map, scale 1:250,000.

#### E. AND M.J. METAL MARKET PRICES

	<u>July 29</u>	<u>Month Ago</u>	<u>Year Ago</u>
Copper, per lb	41.7¢	42¢	38.3¢
Lead, per lb	12.5¢	13¢	14¢
Zinc, per lb	14.0¢	14¢	14¢
Tin, per lb	141.1¢	141.4¢	154.5¢
Nickel, per lb	94.0¢	94.00¢	85.25¢
Platinum, per oz	\$120-125	\$109-114	\$109-112
Mercury, per flask	\$500-510	\$510-525	\$472-482
Antimony ore, per unit	\$5.00-5.10	\$5.00-5.95	\$5.20-6.20
Beryllium powder, 98% (lb)	\$54-66	\$54-66	\$54-66
Chrome ore, long ton	\$31-35	\$31-35	\$31-35
Molybdenum conc, per lb	\$1.62	\$1.62	\$1.62
Titanium ore, per ton	\$20-21	\$20-21	\$21-24
Tungsten, per unit	\$43.00	\$43.00	\$43.00
Silver, New York, per oz	228.0¢	244.60¢	184.10¢
Gold, Engelhard, per oz	\$39.02*	\$41.30	-----

\* Lowest buying price reported by Engelhard Industries at which offers can be obtained for delivery at Newark, N.J.